



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2017 Biennium

<b>Bill #</b>	HB0114	<b>Title:</b>	Revise tax increment finance district remittance laws for schools
<b>Primary Sponsor:</b>	Miller, Mike	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** HB 114 clarifies how tax increment remittances to school districts are to be utilized. This bill has no state fiscal impact.

### FISCAL ANALYSIS

#### Assumptions:

- HB 114 allows a school district to deposit any portion of the tax increment remittance received into the general fund, bus depreciation reserve fund, debt service fund, building reserve fund, or technology acquisition and depreciation fund. These funds are all school district budgeted funds so depositing the tax increment remittance into one of these funds should reduce local property taxes.
- If a tax increment remittance was deposited into the district general fund, the district could potentially reduce the amount of guaranteed tax base aid (GTB) received by the district from the state. However, given that a district has options as to which fund to deposit the tax increment remittance, a district is unlikely to choose an option that will cause the district to receive less GTB state aid.

**Effect on County or Other Local Revenues or Expenditures:**

1. School district levies for any fund specified by this bill, other than the general fund, will be reduced by the amount of tax increment revenue the district deposits in the fund.
2. If a GTB-eligible district deposits the tax increment in the general fund, the local taxpayers will experience a partial property tax reduction, but the district will lose some GTB that would otherwise be received. In this case, there could be a savings to the state in GTB payments.

  
Sponsor's Initials

  
Date

  
Budget Director's Initials

  
Date